



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 6, 2002

H.R. 2828 **Klamath Basin Emergency Operation and Maintenance** **Refund Act of 2001**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on July 31, 2002*

SUMMARY

H.R. 2828 would authorize the Secretary of the Interior to refund fees assessed by the Bureau of Reclamation on Klamath Basin irrigation and drainage districts for certain operation and maintenance costs for calendar year 2001. Subject to appropriation of the necessary funds, the Secretary would also be authorized to pay for 2001 operations and maintenance costs of water projects managed by water districts in the basin. Finally, the act would authorize the Secretary to waive any remaining fees for 2001 that have not yet been paid. These refunds and waivers also would apply to individuals in the basin who have water contracts with the bureau.

CBO estimates that implementing H.R. 2828 would cost about \$2 million in 2003, assuming appropriation of the necessary funds. In addition, the bureau would be authorized to refund fees collected for certain operations and maintenance costs which would increase direct spending by less than \$150,000; therefore, pay-as-you-go procedures would apply.

H.R. 2828 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2828 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007

CHANGES IN SPENDING SUBJECT TO APPROPRIATION ^a

Estimated Authorization Level	2	0	0	0	0
Estimated Outlays	2	0	0	0	0

a. Enacting H.R. 2828 also would cause a negligible increase in direct spending in 2002.

BASIS OF ESTIMATE

H.R. 2828 would require the Bureau of Reclamation to refund fees association with the operation and maintenance of water projects run by the bureau (these are known as reserved works) and those run by local water districts (these are known as transferred works) in the Klamath Basin. Based on information from the bureau, CBO estimates that implementing H.R. 2828 would increase direct spending by less than \$150,000 in 2003. In addition, we estimate the legislation would cost about \$2 million in 2003, assuming the appropriation of the necessary funds.

Reserved Works

The bureau pays for the operation and maintenance of certain structures used for flood control, storage, and drainage that have not been transferred to districts. Under current law, the bureau bills Klamath Basin and other water users for those operation and maintenance costs. H.R. 2828 would authorize the Secretary of the Interior to refund fees paid to the bureau for operations and maintenance of reserved works in 2001. CBO estimates these refunds would increase direct spending by about \$150,000 in 2003.

Transferred Works

The bureau has transferred some structures used for flood control, storage, and drainage to local irrigation and drainage districts. Following transfer the districts are responsible for operation and maintenance costs. Under H.R. 2828, the Secretary of the Interior would be authorized to reimburse districts with transferred works for their 2001 operation and maintenance expenses from appropriated funds if they meet certain criteria. Based on information from the bureau, CBO estimates reimbursing the Klamath Irrigation District and other eligible districts would cost about \$2 million.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enactment of H.R. 2882 would increase direct spending by about \$150,000 in 2002.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2828 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On November 13, 2001, CBO prepared a cost estimate for H.R. 2828 as ordered reported by the House Committee on Resources on November 7, 2001. The two versions of this legislation are identical, but CBO has slightly revised its estimate of the cost of this legislation.

Based on updated information from the bureau on the actual cost of operating and maintaining reserved works in 2001, CBO increased its estimate of direct spending under the legislation from \$100,000 to about \$150,000. In addition, based on the actual operation and maintenance costs of transferred works for 2001, CBO increased its estimate of the cost of reimbursing related fees from \$1.5 million to \$2 million, subject to appropriation of the necessary amounts.

ESTIMATE PREPARED BY:

Federal Costs: Julie Middleton

Impact on State, Local, and Tribal Governments: Marjorie Miller

Impact on the Private Sector: Lauren Marks

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis